

EXHIBIT 1

Texas

APARTMENTS

2013

LEGISLATIVE SESSION PREVIEW

In this issue, read about:

- Deadline nearing for smoke alarm compliance
- Build your *Foundation for the Future* at TAA's 2013 Education Conference & Lone Star Expo
- Milestone moments: TAA's first 50 years

brief case

TAA's first 50 years through the eyes of its first legal counsel



By Larry Niemann,
TAA Legal Counsel
1967-2005

TAA's first legal counsel reflects on life before REDBOOKs and standard leases and how far the association has come.

What was the apartment world like in Texas nearly 50 years ago...before most people reading this article were born? Well, I can tell you what it was like about 47 years ago when I was hired as the association's first attorney at its convention in the Holiday Inn in Corpus Christi.



Just think about all the educational opportunities our industry now has available that simply didn't exist a half century ago, such as the annual state and local trade shows, local association seminars, legal seminars, webinars, magazines, newsletters, REDBOOKs, certification programs, etc. The expertise and knowledge of the smartest brains in our industry have been and still are available to all who wish to partake.

standards for the landlord-tenant relationship. Neither owners nor residents had any statutory rights or duties, other than eviction. Security deposits were very seldom returned, regardless of the condition of the rental unit at move-out. Evictions were often done by simply removing the front door or the toilet seats.

Most written leases were embarrassingly one-sided in favor of the owner. Habitability, security devices, mold, swimming pool safety, handicap accessibility, smoke detectors, ownership disclosure and crime protection for residents were subjects that had never been discussed in the industry, much less in the legislature. There was no TAA headquarters or executive officer in Austin. There were no TAA forms, REDBOOKs, educational seminars, or apartment magazines or newsletters.

It might be surprising to some just how technologically unsophisticated the world (and TAA) was in 1963, when TAA was born. There were no cell phones, computers, iPods, iPads, digital watches, call forwarding, answering machines, voicemail or conference calls. There were no computer accounting programs, email, word processor programs, laser printers or Internet. There were no fax machines, photocopy machines, digital cameras, microwaves, battery-operated watches, electronic calculators, PowerPoint programs, credit cards or color TVs. There was no WebMD, cable TV or satellite TV.

Electronic banking, ATM machines, credit cards, DVDs, CDs and Google Earth had not yet been invented. Sounds far-fetched, but it's true.

TAA leadership

During 38 of those first 50 years, I had the good fortune to participate in the growth and accomplishments of TAA. I had the pleasure and educational experience of working with the many individuals who provided leadership and high standards for our industry. I marveled at how much they gave of themselves for the advancement of the association.

Since those humble beginnings in 1963, the apartment industry in Texas has grown and matured into a responsible, innovative and legislative force. This was due to a number of things, including the foresight and fairness of the leadership, the cooperation of the local associations, the involvement of local members in political races all over the state, the TAA and local association PACS, and a succession of very capable staff at both local and state levels.

Despite a few dinosaur-thinking members standing in the way at the beginning, the association's legislative leadership has had phenomenal success in recognizing and solving problems within our industry. Those problems, if left unaddressed, could have festered into bad landlord/tenant legislation—as has happened many times

There were only 200 members of Texas Apartment Association, statewide, at that time. About 30 members made it to the convention. The association had virtually no cash, and I agreed to \$200 a month as a retainer as the association's first legal and legislative counsel.

In the beginning

In those early days, there were virtually no statutes on the books to set



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in other states. Legislative solutions were always crafted with surgical fairness to both owners and residents.

The statutes

When I retired in 2005, every single landlord/tenant statute enacted by the legislature had been drafted and negotiated by TAA with tenant groups to be fair and to protect responsible owners and residents alike. Each bill had been passed with the *joint support* of both TAA and the tenant groups—a fact that other states find hard to believe.

We've come a long way since the first bill that TAA proposed became law. And even with that first bill (which was the security deposit bill), there was dissension in the ranks by some owners over "cooperating with the enemy."

Fortunately, that feudal attitude by a handful of owners went away many years ago when leadership at the state and all local levels became united on the proposition that doing the *fair* thing legislatively was the *smart* thing in the long run for our industry. Moreover, it was in the best interest of good owners to impose reasonable and carefully-drafted legislative standards on everyone in order to protect the good owners from the bandit owners who could give our industry a black eye if left unchecked.

TAA lease forms and the REDBOOK

The first TAA lease was only two pages long and was pretty rudimentary. Because the first lease forms were on pressure-sensitive paper, you had to put two or three sheets of the form together in order to make copies, and then you had to press your pencil or typewriter keys hard. (We thought we were in really high cotton because we didn't have to use carbon paper any more!)

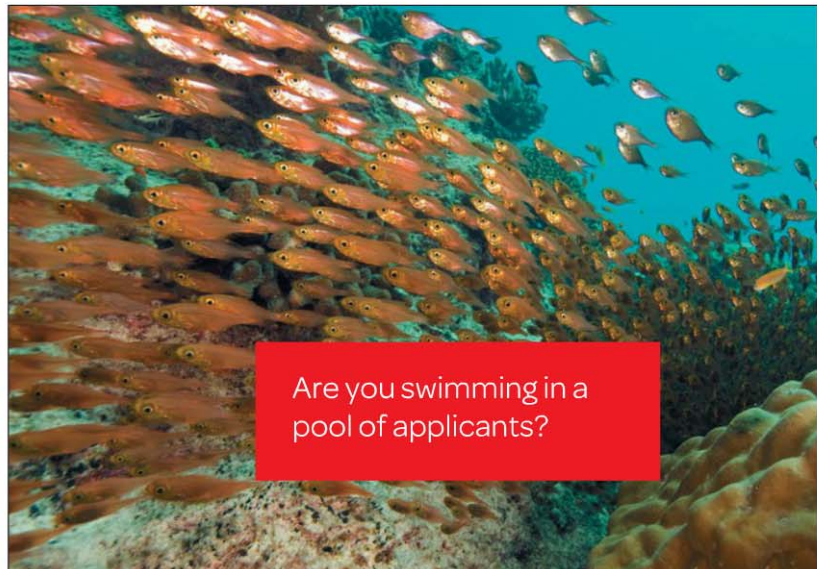
As time passed, the lease became much more comprehensive, and many other forms followed. The multitude of TAA forms over the years helped raise the quality of apartment management and ownership to new levels throughout the state.

The next big step after the preprinted forms and REDBOOK forms was computer-generated forms, which added significant efficiency and cost savings to

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the paperwork of leasing and operating an apartment community. Computer-generated forms not only saved on time,

labor and inventory, but they made it possible to quickly change the lease to conform to new legislation or court decisions.



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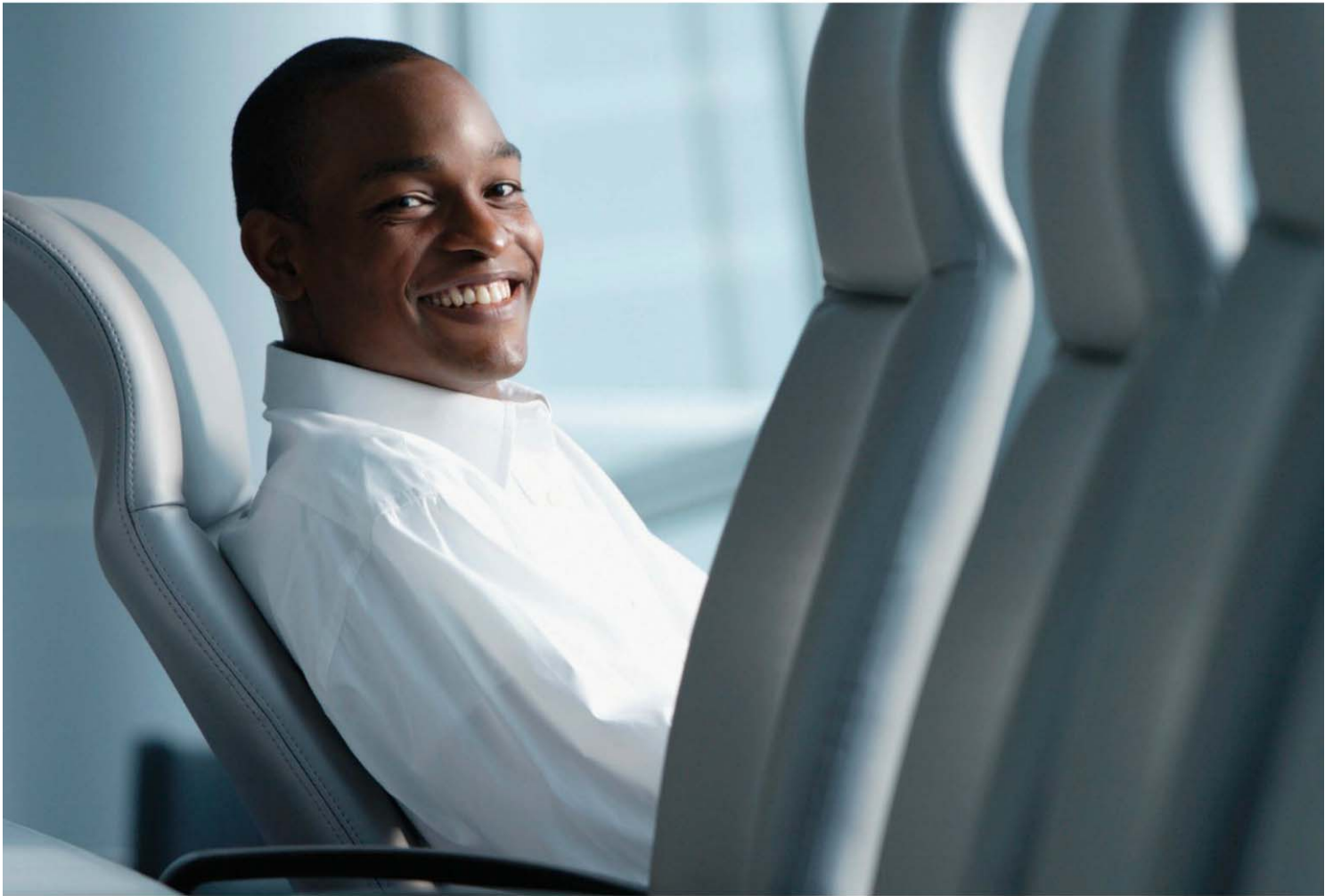
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The common thread that made those forms so successful was they have always been fair to both owners and residents and could be easily defended in the press and in the legislature. To my knowledge, the thoroughness and electronic sophistication of current TAA forms is unsurpassed in any industry, anywhere in the nation.

In retrospect, some of the early memories are on the laughable side. For example, the first REDBOOK was printed on light brown paper to make sure no one bought one REDBOOK and then made photocopies of it to avoid buying multiple copies. Brown paper was used in the REDBOOK because photocopy machines in those early days could reproduce printed material from white paper only. If a person tried to photocopy something that had been printed (by a printing press) on brown paper, the entire page would come out all black!

Education, education, education

Just as location is an important key to the success of an apartment project, education is an important key to success of an individual in the apartment industry. The most successful owners and management companies inevitably hire and surround themselves with employees who are steeped in knowledge about their job.

TAA's education of the masses on forms, statutes and good management/ownership practices is unexcelled in the nation. We grew from zero education in the beginning to the most education-oriented apartment association in the nation. Such extensive education has been one of the keys to management expertise, ownership success, individual advancement and fair treatment of residents throughout the state.

Appreciation of the importance of education is exemplified by the TAA Education Foundation, which was established by far-thinking leadership and continues to be a cornerstone of our industry's success in Texas.

Just think about all the educational opportunities our industry now has available that simply didn't exist a half century ago, such as the annual state and local trade shows, local association seminars, legal seminars, webinars, magazines, newsletters, REDBOOKs, certification programs, etc. The expertise and knowledge of the smartest brains in our industry have been and still are available to all who wish to partake.

National Apartment Association

TAA's success over the years also is reflected in the fact that the TAA lease form was adopted by the National Apartment Association as the starting point for NAA leases in other states. Many of our forms, educational methods and statutes have been emulated by other apartment associations across the nation. That, in turn, has helped strengthen those associations and enabled them to better protect their industry in their respective state houses and at the federal level.

All in all, we've come a long way, thanks to the work of so many capable leaders and members who devoted so much of their time and effort to achieving the success that TAA represents today. ☺

Larry Niemann served for 38 years as TAA's Legal Counsel.



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